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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91202371
Party	Plaintiff Embotelladora Aga Del Pacifico, S.A. de C.V.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Trademark Application

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EMBOTELLADORA AGA DEL PACIFICO, S.A. De C.V., a Mexican corporation, Opposer, v. JOSE ALFONSO SERRANO GONZALEZ, believed to be a Mexican Citizen, Applicant.	Opposition No.: 91202371 OPPOSER EMBOTELLADORA AGA DEL PACIFICO, S.A. DE C.V.'S REPLY TO APPLICANT'S OPPOSITION TO MOTION FOR SUMMARY JUDGMENT ON GROUNDS OF RES JUDICATA

Assistant Commissioner of Trademarks
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I. INTRODUCTION

Applicant Jose Alfonso Serrano Gonzalez's ("Applicant") Opposition to Opposer Embotelladora Aga Del Pacifico, S.A. de C.V.'s ("Opposer") Motion For Summary Judgment Based on Res Judicata ("Opposition") does absolutely nothing to warrant overturning the decision previously rendered by the Board in this exact same dispute only three years ago. The entire basis of Applicant's argument is based upon unverifiable, inadmissible "informal surveys' presented through hearsay testimony purporting that no actual confusion has occurred in the marketplace during the course of Applicant's sales of a meager 200 cases at $50,000 gross revenue. (Declaration of Juan Carlos Estrada ¶3). Furthermore, Applicant concedes in its Opposition that the products do indeed use identical distribution channels, namely restaurants, liquor stores and supermarkets. (Declaration of Juan Carlos Estrada ¶4). Even more importantly, Applicant concedes that some of the products were sold in the exact same supermarkets! (Declaration of Juan Carlos Estrada ¶5).

In light of Applicant's deminimus sales of 200 cases at a meager $50,000 over a three year span, Applicant would and did not even enter Opposer's consciousness. Accordingly, Applicant's claims that Opposer has somehow slept on its rights is absurd. Opposer successfully opposed Applicant's first attempt to register its infringing mark, and upon learning that it had reapplied, has initiated opposition proceedings yet again. Opposer also intends to take legal action for infringement now that it is aware of Appicant's infringing uses in U.S. Commerce. In any event, none of these issues should even be considered again, as this case was already fully adjudicated in Applicant's favor with a Board determination of a likelihood of confusion in the prior identical action. None of the facts presented by Applicant come close to

the type of "changed circumstances" that might warrant the parties and the TTAB to be forced to, again, undertake the inordinate and prohibitive time and expense to relitigate the identical proceedings already fully and finally adjudicated in Opposer's favor. The attorney's fees alone to relitigate these proceedings would likely, *again*, exceed the entire gross revenue (i.e. $50,000) derived from Applicant's product sales in the U.S. to date.

Furthermore, the only case cited by Applicant in support of its absurd "changed circumstances" argument was a case where the undisputed evidence in the case demonstrated that the goods at issue moved through different channels of trade, and that the marks at issue had contemporary use for over 50 years without any steps to enjoin the applicant therein from using the mark. That case is distinguishable, and isn't even remotely applicable here, where only 3 years has passed since the board's decision, and the Applicant acknowledges in its affidavit that the products move through the same channels of trade. Finally, the only reason Applicant's sales activity has not been enjoined in this short period of time because the sales are deminimus at best.

If the Board were to unjustifiably decide to give Applicant another "bite at the apple", it would tend to invite parties to inter partes proceedings to continue to re-file previously rejected applications, litigate and relitigate them in complete disregard to the finality of Board's orders, thereby over-extending the resources of the TTAB and rendering its decisions completely meaningless.

II. ARGUMENT

Summary judgment is mandated when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Celotex Corp. v. Catrett, 477 U.S. 317,

325-326, 106 S.Ct. 2548 (1986). The summary judgment procedure is properly regarded not as a disfavored procedural shortcut, but rather as an integral part of the Federal Rules as a whole, which are designed "to secure the just, speedy and inexpensive determination of every action". Celotex, 477 U.S. at 327.

The purpose of the motion is judicial economy, that is, to avoid an unnecessary trial where there is no genuine issue of material fact and more evidence than is already available in connection with the summary judgment motion could not reasonably be expected to change the result in the case (TBMP 528.01 citing *Larami Corp. v. Talk To Me Programs Inc.*, 36 USPQ 1840, 1843 (TTAB 1995) (where issue involved collateral estoppel); and *University Book Store v. University of Wisconsin Board of Regents*, 33 USPQ2d 1385, 1390-91 (TTAB 1994). Here judicial economy certainly favors re-litigating a matter already fully and finally adjudicated after full trial on the merits.

A. The Absence of Actual Confusion is Not Noteworthy

Courts have repeatedly held that "because actual confusion is hard to prove; difficulties in gathering evidence of actual confusion make its absence generally unnoteworthy." *Eclipse Associates, Ltd v. Data Gen. Corp.*, 894 F.2d 1114, 1118-19 (9th Cir. 1990) and AMF, 599 F.2d at 353. Accordingly, the fact that Applicant claims his informal surveys found no confusion is of no consequence, particularly in light of the small sale sample, and the self serving manner in which the inadmissible hearsay testimony has been gathered and submitted. How could Applicant, or the supermarket owners that Applicant purportedly informally surveyed, possibly know whether or not the customers who encountered both the Opposer's CABALLITOS soft drinks and Applicant's CABALLITO CERRERO alcohol, might have believed the two products

emanated from the same source or had some type of affiliation? Are the Declarants mind readers? Certainly, a purchaser does not report this type of confusion to anyone, let alone a supermarket owner. The entire premise upon which Applicant relies is fundamentally flawed and of zero probative value. (*See Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1797 (Fed. Cir. 1987) ("mere conclusory statements and denials do not take on dignity by placing them in affidavit form."). The only point of any probative value presented by Applicant is the fact that the products are indeed sold in the same stores, and identical distributions channels.

Here confusion is unavoidable since the parties use identical arbitrary marks (CABALLITO) on virtually identical goods (beverages) which at a minimum are related goods and can be used in combination with one another. These goods are by Applicant's own admission sold in the same supermarkets.

B. Applicant Has Utterly Failed To Demonstrate Any "Changed Circumstances" That Might Warrant A Second Opposition Proceeding

The prior adjudication against the Applicant is dispositive of the present subsequent filed application for registration of the same mark on the basis of the same facts and issues, under the doctrine of res judicata, collateral estoppel, or stare decisis. (See TBMP Section 1217). Prior adjudications include decisions of the Trademark Trial and Appeal Board or any of the reviewing courts. (*Id.*). Here we have the identical facts and claims pertinent to these Opposition proceedings involving the identical parties, identical marks, a prior judgment on the merits, and the same transactional facts as those already decided in the prior proceeding. Accordingly, the res judicata and the principles of claim preclusion and issue preclusion apply to prevent

relitigation of this issue in yet another Opposition between the parties at substantial time and expense to the parties, the Board and the U.S. taxpayers. The only new evidence in support of Applicant's purported changed circumstances is that it sold 200 cases together and allegedly no consumers reported their confusion to the store owner.

The entire basis of Applicant's argument is based upon unverifiable, inadmissible hearsay "informal surveys' purporting that no actual confusion has occurred in the marketplace as a result of Applicant's sales of 200 cases of tequila. (Declaration of Juan Carlos Estrada ¶3). Furthermore, Applicant concedes in its Opposition that the products do indeed use identical distribution channels, namely restaurants, liquor stores and supermarkets. (Declaration of Juan Carlos Estrada ¶4). Most importantly, however, the alleged changed circumstances submitted by Applicant have actually reinforced the prior decision by the Board, by demonstrating that the goods are actually sold in the exact same supermarkets and in the same distribution channels. (Declaration of Juan Carlos Estrada ¶5).

The only case cited by Applicant in support of its absurd "changed circumstances" argument was a case where the undisputed evidence demonstrated that the goods at issue moved through different channels of trade, and that the marks at issue had contemporary use for over 50 years without any steps to enjoin the applicant therein from using the mark. (*See In re Bordo Products Co.,* 188 USPQ 512 (TTAB 1975). That case is not remotely applicable here, where only 3 years has passed since the board's decision, and the Applicant acknowledges in its affidavit that the products move through the identical channels of trade. There are no changed circumstances here which could remotely justify a repeat of a case already decided by this Board only three years prior.

III. CONCLUSION

For the above-reasons, Opposer's motion must be granted.

Respectfully submitted,

FISCHBACH, PERLSTEIN, LIEBERMAN & ALMOND, LLP

Dated: April 9, 2012 By: _____

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CERTIFICATE OF SERVICE

I hereby certify that on the 9th day of April, 2012, I served a true and correct copy of the above and foregoing Reply to Opposition to Motion For Summary Judgment on:

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Attorneys for Opposer, by depositing a copy thereof in the United States Mail, first class, postage prepaid.

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